

STATE OF UTAH

Fund Information

FINET Name: (FIN) Permanent Community Impact Loan Fund

FINET Fund: 5285

Legal Name: Permanent Community Impact Loan Fund

Legal Authorization: UCA 35A-8-303; UCA 53C-3-203; UCA 59-21-2; UCA 63A-3-205

Earns Interest: ☒ Yes ☐ No **Earns Interest Authority:** UCA 35A-8-303(3)

Revenue Source(s):

1) Mineral lease royalties and mineral bonus payments, 2) State appropriations, 3) Repayment of loans, 4) Interest earned

Description:

Funds are used to alleviate social, economic and public finance impacts resulting from natural resources development in Utah. Funds may be used for grants and loans.

The 1999 Legislature (HB130) created the Constitutional Defense Restricted Account (fund 078); 3% in FY 2000 (1% beginning FY 2001) of deposits made to the Permanent Community Impact Fund will be transferred to fund 078 (See UCA 59-21-2(2)(a)).

The 2000 Legislature (SB 55) changed the distribution of all mineral lease and mineral bonus payments. The Permanent Community Impact Fund and Bonus Fund (Fund 656) now receive 32.5% of mineral lease payments, 70% of mineral bonus payments, 12.16% of mineral bonus payments on exchanged land, any funds over \$2 million in the Constitutional Defense Restricted Account (Fund 078), and any remaining mineral lease funds after all other statutory allocations of mineral lease royalties from the GF Mineral Lease Account (Fund 117). See handout prepared by GOPB filed in the Fund Information Database permanent files.

HB 134 (2001 GS) reclassified this fund to be an enterprise fund to comply with GASB 34 requirements.

HB 134 (2007 GS) changes the distribution of the state's share of bonus payments, rentals, and royalties from the lease of minerals on acquired lands; acquired mineral interests; minerals on exchanged lands; and exchanged mineral interest. Per UCA 53C-202, bonus payments from the lease of coal, oil and gas, and coal bed methane and rents and royalties from the lease of subject minerals on acquired lands and acquired mineral interests will be distributed 50% to the Land Grant Management Fund and 50% to the Land Exchange Distribution Account. Per UCA 53C-3-203, revenues in the Land Exchange Distribution Account will be distributed per the percentages and timelines described to: . . . (6) For fiscal years beginning on or after fiscal year 2009-10, the Legislature shall annually appropriate from the account 7.5% of all deposits made to the account to the Permanent Community Impact Fund created in Section 9-4-303, to be used for grants to political subdivisions of the state to mitigate the impacts resulting from the development or use of school and institutional trust lands. The bill also provides that the Rural Development Fund and the Rural Electronic Commerce Communications System fund are repealed on July 1, 2008, and any remaining fund monies shall be transferred to the Permanent Community Impact Fund.

SB 24 (2010 GS) Provides that 50% of revenue from oil shale leases on federal exchange parcels shall be deposited in the Land Exchange Distribution Account. Modifies the calculation of administrative costs by capping the unused balance of admin costs at \$2,000,000. Any excess is distributed to the account for distribution per statute at fiscal yearend. SITLA may not deduct admin costs from the Fed portion of collections. Provides that 1% of monies in the Land Exchange distribution Account will be distributed to the Geological Survey for test wells until July 1, 2020, when the provision is repealed. Reduces the amount of money distributed from the Land Exchange Distribution Account to the Permanent Community Impact Fund from 7.5% to 6.5% of the account monies.

HB 76 (2011 GS) Reallocates distributions from the Land Exchange Distribution Account. Reduces the distribution from the Permanent Community Impact Fund (from 6.5% to 3%) (#5285)). Increases the distribution to the Constitutional Defense Restricted Account (from 7.5% to 11%)(#1321). Makes permanent the \$1,000,000 priority distribution to the Constitutional Defense Restricted Account from the Land Exchange Distribution Account each year. Removes the cap on the Constitutional Restricted Account (#1321). Adjusts appropriations for FY 2012 per the changes in the bill and also appropriates from the Constitutional Def Rest Acct the additional \$600,000 it will receive to the Constitutional Defense Council (\$250,000) and the AG (\$350,000). Note per S. Allred (LFA) based on legal guidance from E. Weeks and E. Brown: The reallocation of distributions from the Land Exc Dis Acct will be effective 7/1/2012 since the appropriations in HB76 were made in FY12, and the appropriations are clearly tied to the distribution changes

STATE OF UTAH

Fund Information

made starting on page 4 of the bill. Additionally, per S. Allred, if the appropriations from the Constitutional Defense Restricted Account that are funded by the Land Exchange Dis Acct are reduced at year end due to the availability of \$ in the account, the \$1,000,000 appropriation from the account is given priority and would not be reduced because it is funded before the percentage allocation. Per HB 324 (2010 GS), this \$1,000,000 priority app is nonlapsing. See UCA 53C-3-203(4).

HB 139 (2012 GS) Modifies the Community and Culture Development Code and the Utah Workforce Services Code by renaming the Department of Community and Culture the Department of Heritage and Arts and by moving the Division of Housing and Community Development to the Department of Workforce Services. Modifies the powers and duties of the Housing and Community Development Division. Creates an advisory council to advise the Department of Workforce Services during the transition of moving the Division of Housing and Community Development from the Department of Community and Culture. Effective July 1, 2012.

SB 246 (2016 GS) Transportation Investment Fund of 2005 (reduces TIF earmarks for FY 17 and FY 18). Provides that certain sales and use tax revenue shall be deposited into the Throughput Infrastructure Fund (shifts the reduced portion of the TIF earmarks to this fund for two years). Creates the Throughput Infrastructure Fund, an enterprise fund. The fund will consist of the amounts designated from the TIF earmarks. The Permanent Community Impact Fund Board shall administer the Throughput Infrastructure Fund. The impact board shall: 1- Make grants and loans from the fund; 2 - Use money transferred to the Throughput Infrastructure Fund in accordance with Subsection 59-12-103(14) to provide a loan or grant to finance the cost of acquisition or construction of a throughput infrastructure project to one or more local political subdivisions, or Utah interlocal entity. Creates the Impacted Communities Transportation Development Restricted Account (within the TIF). The account shall be funded from a portion of the 32.5% mineral lease money to the PCIF. Specifies that the Legislature shall appropriate \$26,000,000 of the mineral lease deposits in FY 17, and \$27,000,000 in FY 18. The account shall also be funded from contributions and appropriations by the Legislature. The fund shall earn interest. The Department of Transportation shall administer the account. The bill coordinates with SB 80.

Fund Balance History:

<u>Fund</u>	<u>Year</u>	<u>Beg Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>End Balance</u>
5285	1983	\$0	\$0	\$0	\$0	\$0
5285	1984	\$56,315,387	\$145,193	\$6,678	(\$10,764,877)	\$45,689,025
5285	1985	\$45,689,025	\$43,875	\$0	\$3,505,858	\$49,238,758
5285	1986	\$49,238,758	\$47,789	\$0	\$1,261,987	\$50,548,534
5285	1987	\$25,573,288	\$325,818	\$53,241	\$418,852	\$26,264,717
5285	1988	\$26,264,717	\$753,737	\$3,227	\$425,942	\$27,441,169
5285	1989	\$27,441,169	\$1,264,760	\$3,258	\$5,986,525	\$34,689,197
5285	1990	\$34,689,197	\$1,680,336	\$6,686	\$3,674	\$36,366,522
5285	1991	\$36,366,522	\$1,383,984	\$3,809	(\$2,990,811)	\$34,755,886
5285	1992	\$34,755,886	\$813,993	\$8,191	(\$1,439,118)	\$34,122,570
5285	1993	\$34,122,570	\$485,368	\$10,470	\$334,428	\$34,931,896
5285	1994	\$34,931,896	\$567,475	\$5,872	(\$891,377)	\$34,602,122
5285	1995	\$34,602,122	\$719,376	\$7,192	\$2,415,207	\$37,729,513
5285	1996	\$37,729,513	\$803,932	\$22,489	(\$3,498,404)	\$35,012,552
5285	1997	\$35,012,552	\$711,703	\$7,440	\$2,008,354	\$37,725,169
5285	1998	\$37,725,169	\$844,420	\$24,421	\$2,512,281	\$41,057,449
5285	1999	\$41,057,449	\$838,529	\$16,318	(\$1,213,086)	\$40,666,574
5285	2000	\$40,666,574	\$948,648	\$8,250	\$4,994,221	\$46,601,193
5285	2001	\$46,601,193	\$1,231,831	\$60,100	\$14,491,904	\$62,264,829
5285	2002	\$62,264,829	\$771,888	\$11,625	\$3,412,869	\$66,437,961
5285	2003	\$66,437,961	\$716,272	\$13,000	\$4,956,321	\$72,097,554
5285	2004	\$72,097,554	\$719,547	\$13,750	\$19,247,413	\$92,050,764

This report presents unofficial, unaudited information that is subject to change.

For audited financial statements, see the State of Utah Comprehensive Annual Financial Report at <http://finance.utah.gov/cafr.html>

STATE OF UTAH

Fund Information

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<u>Fund</u>	<u>Year</u>	<u>Beg Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>End Balance</u>
5285	2005	\$92,050,764	\$1,469,363	\$14,875	\$27,557,748	\$121,063,000
5285	2006	\$121,063,000	\$3,018,260	\$18,625	\$39,631,009	\$163,693,644
5285	2007	\$163,693,644	\$4,435,461	\$22,125	\$15,942,051	\$184,049,030
5285	2008	\$184,049,030	\$3,430,971	\$60,752	\$13,898,604	\$201,317,853
5285	2009	\$201,317,853	\$3,173,480	\$29,500	\$42,365,773	\$246,827,606
5285	2010	\$246,827,606	\$1,665,036	\$33,500	\$7,816,302	\$256,275,444
5285	2011	\$256,275,444	\$2,631,359	\$35,875	\$15,043,035	\$273,913,962
5285	2012	\$273,913,962	\$3,368,341	\$38,625	\$14,308,565	\$291,552,243
5285	2013	\$291,552,243	\$862,168	\$41,250	\$14,109,716	\$306,482,876
5285	2014	\$306,482,876	\$939,090	\$41,625	\$32,242,470	\$339,622,812
5285	2015	\$339,622,812	\$908,743	\$591,179	(\$8,495,749)	\$331,444,627
5285	2016	\$331,444,627	\$3,019,294	\$486,413	(\$19,652,276)	\$314,325,232
